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JOINT RELATIONS IN AN INDUSTRY WITHOUT PLANTS

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THE development of satisfactory relationships between the various elements in industrial organizations without plants offers many difficult problems.

The construction industries of this country present by far the largest group of activities of this type. The workers in them move from project to project and are not permanently located in production plants. The clothing industry also contains many workers who can be classified as not working in regularly constituted industrial plants. Workers in this trade take work from contractors, usually petty contractors, and perform it in their homes or in small shops, which are of such a rudimentary character that they can scarcely be called plants. In addition there are groups of workers such as those engaged in construction work, loading and unloading vessels, harvesting, berry-gathering, etc., which undoubtedly require special treatment under the general subject with which I am dealing.

Since the construction industries constitute the largest and most important group without plants, I shall confine my discussion largely to them. These industries, when the entire field of construction and the manufacture of materials required therefor are taken into consideration, form the second largest group in the United States. They are exceeded only by the group of agricultural industries. In addition to this, the construction industries are preeminently important because it is through them that the most of the permanent wealth of the country is created and put into material form. In normal times these industries add several billions of dollars annually to the nation's permanent wealth.

The industrial problems which are peculiar to the construction industries and which do not so largely apply to those having permanent plants, revolve mainly about the fact that in these industries the working forces of the employers are apt

to vary widely and rapidly. In many types of construction the employer maintains only a small nucleus organization as a permanent force. He then employs and discharges the great bulk of his employees as the exigencies of his work demand, most of the workers being temporary employees. Thus a large building firm may, by reason of the pressure of many large contracts, have within its employ at one time many thousands of workers, and a short time thereafter comparatively few. Under these circumstances, employment offers but little opportunity for managers and workers to become well acquainted and interested in one another, except in the case of the permanent nucleus of the working force.

In many cases, construction work performed by large contractors covers wide territories. For a project carried through at a location distant from the contractor's headquarters, most of the labor is recruited locally, possibly only a superintendent and a foreman or two of the employer's permanent staff being used. From this wide range of location of construction work carried on by an employer, and from the varying size and constituency of the personnel, arise the special conditions to be dealt with.

It is but natural that there should often be a lack of mutual interest and sympathy between an employer and his men under conditions such as have been outlined above. The employer is not likely to feel the same sense of responsibility for the welfare of the temporary force in his employ as in the case of an employer operating a permanent plant where the working force is largely stable and the individual workers are more or less intimately known by the management. Moreover, a contractor doing a project at a distance from his headquarters is not so liable to feel the potential power of public opinion as is ordinarily the case where there is a permanent plant. These conditions all tend to encourage the selfish and unjust contractor to impose upon his men and make it difficult for the reliable and responsible contractor to set up the relationships which will be most useful in forwarding his own, his workers' and the public's best interests.

The same lack of contact between the employers and the mass of the workers in the construction industries tends strongly to encourage the organization of trades associated therewith under

closed shop conditions. The result has been that the construction industries—the building industries in particular—have been seriously interfered with through the imposition of sympathetic strikes, strikes called for the purpose of organizing labor, jurisdictional strikes, the boycott, restriction of output, and other industrial ills. These practices have been seriously injurious and unfair to the public, hurtful to employers, and costly to the employees themselves.

As a counter to this injurious form of labor organization, there has developed a movement for the strong organization of contractors by communities. In places where the organization of both labor and employers has been highly perfected, and the two organizations have fallen into unscrupulous hands, the result has sometimes been disastrous. With these two groups thoroughly organized and working together, it has been found possible by unprincipled leaders largely to eliminate competition, and substitute unhealthful and unjust regulation of prices and wages. Illustrations of conspiracies of this kind which have been carried on at the expense of and to the injury of the public can be obtained by reference to the records of legal prosecutions in some of our cities. The fact that the local contractor has an advantage over one from a distance, by reason of his having his organization and equipment on the ground, tends to reduce competition from the outside and to increase the possibility of unjust combination. There is usually little likelihood of community conspiracies of this kind in the production of commodities in permanent plants by reason of the competition which comes more readily from other communities.

The first problem of great importance to work out is that of discovering methods which will overcome the obstacles to reasonably sympathetic and helpful relationships between employer and employee. In the construction industries one of the most important items of this problem is that of developing greater continuity of employment, which would not only bring greater prosperity and contentment to the worker, but would also tend in some measure to stabilize employment. At the very best, there will be periods when the weather will prevent outdoor operations, but this seasonal interference with continuous work has been magnified by practice and habit. Thus,

it has been common for wage contracts to be made as late as May first, thus interfering with the early signing of contracts. Habit has further tended toward the instituting of work in the spring. There seems to be no good reason why wage scales for the ensuing year, where wage scales are necessary, should not be established in the fall, or at the latest by the first of the year. This would enable those having building projects in hand to make contracts in the fall or early winter.

Such an arrangement would make possible the ordering and delivering of materials and the starting of work at the earliest possible moment in the spring. Early letting of contracts in this way would not only be more advantageous by extending the period of activities in the construction industries, but it would also reduce the intermittent or seasonal character of the industries engaged in the manufacture of construction materials and supplies, and of railroad transportation. Improvement may also be made in the matter of getting new building construction under cover before cold weather, in order that as much activity can go on through the winter as is possible.

Further, in connection with increasing continuity of employment, advantage may be obtained by educating the public to the habit of placing orders for inside repairs and building work so that it can be done during the winter months. Much work of this kind is now put on foot in the spring—the period set by custom for general cleaning and sprucing up. Could not the contractors encourage a movement in this direction by offering special inducements in the form of reduced prices etc.? Their overhead costs would be reduced by more continuous use of their equipment and administrative organizations, and manufacturers of material and supplies would doubtless be tempted to lower prices for delivery in the winter for a similar reason.

Secretary Hoover has recently taken measures to forward the project of letting public road contracts in the fall, in order that the preparation and distribution of road materials may go on through the winter.

Another primary object to be striven for is the preparation of well-trained mechanics and artisans who will be qualified not only to give satisfactory service to their employers, but also, by reason of their skill, to earn generous wages. Our schools have done much to aid in this. Extensive studies have shown

that those who have had the benefit of properly devised trade or industrial school training in connection with their training in the field have advanced in their earning power, on the average, well beyond those who have lacked this broad preparation. But in spite of the great advances which have been made, the project is still in an embryonic state and, as many experienced engineers and contractors assert, our construction workers lack the training necessary for their own best interests and for the interests of their employers. Not only should the training be satisfactory, but there should be an adequate number of skilled workers to supply the needs of industry. This point stands out clearly at the present time with regard to the construction industries, where the number of skilled workers in the building trades is out of balance, as is evidenced by the great shortage of plasterers in some districts. Is it not possible for communities to give sufficient consideration to this situation to make possible the right training of at least approximately the needed numbers of workers in each trade?

The relations in the construction and similar industries should be so worked out that there will be no tendency toward nor need felt for the creation of closed-shop labor organizations, with their attendant ills. It is equally important that the employees be protected against the selfish employer. Ordinarily the laborer should be protected in this regard by competition for his services, and his ability to leave the employ of an unsatisfactory employer and obtain work elsewhere. Though this natural method to a large extent serves the purpose, it nevertheless leaves many cases where injustice and bitterness prevail. It is these cases which in a large measure are responsible for most of the industrial ills under consideration.

With such readjustments as may be made in the solution of these problems there should undoubtedly be steps taken to prevent conspiracies against the public such as were mentioned earlier.

No adequate solution seems to have been worked out, as yet, for the primary problem of right relationships between managements and men, particularly in industries without plants.

Various plans are being used by employers in industries which have plants. Some of these plans give promise of solving difficulties in relationships to a large extent, though it must

always be borne in mind that the success of any system in any shop depends largely upon the capacity and leadership of the management. Such schemes as workers' representation are easily adaptable as machinery for aiding in the establishment of good relations where the force is reasonably permanent both in personnel and location. On the other hand, such methods are not so readily adaptable to the case of the contract of short duration requiring a large body of local labor often far removed from the employers' headquarters.

Various governmental systems have been established for the maintenance of justice and for settling disputes for all industries, including those without plants. As a rule they have been indifferently successful. In most cases the plans have been based upon compulsory, partially compulsory, or voluntary arbitration. The systems in Australia and New Zealand may be more or less accurately listed in the first class, while America may be considered to be in the third class. The National Department of Labor contains a Bureau of Mediation which at times institutes voluntary arbitration. The labor departments of many of the states contain similar bureaus.

The results have not been so eminently satisfactory as to warrant the acceptance of any one of the systems as a full solution of the problem of industrial relationships. In both Australia and New Zealand the systems have worked reasonably well except at certain times of crisis. In Canada there have been many differences in spite of the governmental system. In America voluntary arbitration, set on foot either through governmental agencies or through private initiative, has been of material service, but here again it is apt to fail in serious crises.

Apparently arbitration boards created for each special case, upon the basis of representatives from both sides of the controversy and a non-partisan third party, are incapable of developing into a fully successful practice. This may be partly because the arbitrators are usually unskilled in judicial functions, and partly because special boards do not provide a suitable permanently established organization to which resort may be had at any time for the redress of grievances.

The Kansas Industrial Court, on the other hand, eliminates some of the objections which are applicable to temporary arbi-

tration boards, inasmuch as it is a permanently established court having the backing and power given to all the other courts of that state. Under the law all disputes relating to industries involving the production or distribution of the necessities of life must be referred to this court, and its decisions are upheld by the police and military power of the commonwealth. For the first year and a half of the life of the court it has apparently accomplished its purpose reasonably well, and seems to be capable of performing the function for which it was established. However, the experiment has not as yet proceeded for a sufficient length of time fully to prove its value.

One of the most prolific sources of difference between labor and management has been the lack of legal responsibility of unchartered or unincorporated groups or associations in many of our states. Thus, when an unscrupulous man has been able to force his way to the head of an unincorporated organization or group of labor, he has reached a place of power where he may force unjust demands by strikes or threats of strikes, with reasonable hope of immunity from the law, for which an individual or an incorporated group would be held strictly to account. A suitable modification of the law affecting this situation and of legal practice in regard to holding legally liable to damages those who cause strikes or lockouts, which are in breach of contract, whether on the part of individuals or of groups, might be of material service in eliminating the irresponsible leaders who have been so large an element in the creation of bad blood and hostile relationships in industry. The elimination of leaders of this character would be as helpful to labor as it would be to employers and the public.

Any and all of these established methods or suggestions may prove of value, but they are after all merely inert implements for aiding in the attainment of an end. The great vital force which will and can compel right relationships is that of public opinion. Without the strong backing of a well-crystallized public opinion no system, however well devised and however helpful, will prove successful. With the full backing of a properly educated and intelligent public opinion proper relationships will prevail, even though the implements at hand may be of poor quality. This is rather strikingly illustrated by the present railroad situation. The Railroad Labor Board

is the most formal national body in this country having responsibility for settling labor disputes, and it has the advantage of being a permanently formed body, surrounded by experts and the paraphernalia needed to enable it to deal wisely with the problems which are brought before it. Nevertheless, the memory of the threat of a disastrous railroad strike which came as a result of a decision of this Board, is still fresh in our minds, and the fear of future unacceptable decisions is ever present with us. I feel convinced that public opinion is the final agency upon which we must depend in controlling and regulating industrial relationships. A more complete development of public opinion and its responsibility in the situation seems to me important.

The growth of stable and sound labor relations would also doubtless be forwarded by reverting to a greater measure of community action, with a resultant decentralization of our industrial affairs. In France much is accomplished in the maintenance of good will and proper relationships through the fact that the local magistrates are largely responsible for the maintenance of local industrial peace. The system there does not prevent great national disturbance, but it has gone far to teach the people to settle their problems peacefully.

An active, sane mobilization of the best elements in every industrial community would go far toward developing, throughout the country, the widespread understanding and knowledge necessary for industrial peace and welfare in all kinds of industry.